



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

June 1, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

FIRST AMENDMENT TO AGREEMENT WITH THE STATE AND THE CITY OF LOS ANGELES FOR THE FIRST AND BROADWAY PROPERTY (FIRST DISTRICT) (3 VOTES)

SUBJECT

Approval of the First Amendment to Agreement by and between the State of California, County of Los Angeles and City of Los Angeles regarding the disposition of property interests at First and Broadway ("Amendment"), in the City of Los Angeles will provide the County a mechanism to be reimbursed for landscaping and utility service fees at the property on the northeast corner of First Street and Broadway.

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Chair of the Board to execute the First Amendment to Agreement by and between the State of California, County of Los Angeles and City of Los Angeles regarding the disposition of property interests at First and Broadway, in the City of Los Angeles to allow for the reimbursement of landscaping and utility service fees at the property.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the attached Amendment will allow the County to be reimbursed for the landscaping services we provide on the property located south of the Clara Shortridge Foltz Criminal Justice Center and Auto Park 11 and bounded by First Street, North Broadway and Spring Street, in the City of Los Angeles (the "Lower Site") and for utility

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

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services at the same locations. The purpose of the recommended action is to allow the County to continue the Internal Services Department landscaping contract and to receive reimbursement for the landscaping fees. Without the County's assistance, the State will not be able to maintain the Lower Site since they do not have a mechanism in place to fund a landscaping contract.

The Lower Site is a portion of the parcels that were jointly held by the County and the State pursuant to an agreement dated March 18, 1986, as amended ("1986 Agreement"), entered into by the State, County and City (the "Site"). Under the 1986 Agreement, the County administered the utility bills and the landscaping contract for the Site at County expense. The State, County and City terminated the 1986 Agreement pursuant to a Property Transfer Agreement approved by your Board on October 7, 2008. According to the Property Transfer Agreement, the County and State each now own and occupy a portion of the Site. Based on the Property Transfer Agreement, the State is the sole owner of the vacant 1.96 acre former State office building site and the County is the sole owner of the 2.69 acre surface parking lot, known as Auto Park 11. County Auto Park 11 is included in the planned Civic Park. In addition, pursuant to the Property Transfer Agreement, all rights and interests of the City in the Site have been terminated. In keeping with the Property Transfer Agreement, the County receives 70 percent and the State receives 30 percent of the parking revenues generated on Auto Park 11.

The ongoing utility services for the Lower Site are directly billed to and paid by the State. We anticipated that the State would assume the landscaping services contract, but they were unable to create a mechanism to pay for the services. Therefore, the State has requested that the County continue to maintain the landscaping services on the Site. Most of the landscaping area is on the State-owned Lower Site. The State has agreed to allow the County to deduct their share of the landscaping fees from their share of the Parking Lot 11 revenues prior to the distribution of funds. The County will continue to provide the landscaping services at the Site, to keep the area clean and neat.

Implementation of Strategic Plan Goals

The proposed recommendation is in furtherance of development of the much-needed Civic Park and is consistent with the advancement of the County's Strategic Plan of Operational Effectiveness (Goal 1) and Community and Municipal Services (Goal 3).

FISCAL IMPACT/FINANCING

From April 1, 2009 through December 31, 2009, the surface parking lot generated \$663,043 in revenue, which is allocated, under the Property Transfer Agreement, to the State (30 percent - \$198,913) and to the County (70 percent - \$464,130). Parking revenues will continue to be allocated in the same ratio until such time that the County terminates the surface parking use and proceeds with the development of the Civic Park. Under this Amendment, the State will receive their share of the parking revenue after the County deducts the State's portion of the ongoing landscaping and one-time utility service fees. The State assumed the utility services effective April 2009. From November 25, 2008 through the end of December 2009, the first deduction of \$17,617 from the State's share of the parking revenue includes their share of the landscaping and utility service fees. As we informed the California Department of General Services (DGS) staff, the County has been holding distribution of revenue pending implementation of this Amendment.

Pursuant to this Amendment, on a quarterly basis, the County will deduct \$3,881 for landscaping services from the State's share of the surface parking revenues prior to the revenue distribution.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On October 7, 2008, your Board adopted the Property Transfer Agreement that conveyed the State and City's interests in Auto Park 11 back to the County to restore its sole ownership and control over the property for its inclusion as a part of the expected Civic Park to be developed in Phase I of the Grand Avenue Project in return for the County relinquishing its one-half interest in the former State building site back to the State.

The attached Amendment, which has been negotiated with the State, will allow the County to deduct the State's share of the landscaping fees from their portion of the parking lot revenues prior to distribution of the revenues. After your Board's approval and execution, the Amendment will be forwarded to the State DGS for approval and execution. Thereupon, the distribution of parking revenues received from Auto Park 11 will be changed, so that the State will receive 30 percent less their share of the landscaping services fees and the County will receive 70 percent plus a reimbursement of the State's share of the landscaping fees until such time that the County terminates the surface parking and proceeds with development of the Civic Park. At that time, DGS understands that it will assume management responsibility for landscaping services.

Honorable Board of Supervisors
June 1, 2010
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County Counsel has approved the Amendment as to form, and has advised that the City does not need to sign the Amendment since their interest in the Site terminated with the execution of the Property Transfer Agreement.

ENVIRONMENTAL DOCUMENTATION

The proposed activity is not a project pursuant to the California Environmental Quality Act (CEQA) because it is an activity that is excluded from the definition of a project by Section 15378(b) of the State CEQA Guidelines. The proposed actions are an administrative activity of the government which will not result in direct or indirect changes to the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

None.

CONCLUSION

Please return one adopted copy of this letter and three signed originals of the Amendment to the Chief Executive Office, Asset Planning and Strategy Section, for further processing.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SK:DJT
MV:SVG:zu

Attachment

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller

**FIRST AMENDMENT TO
AGREEMENT BY AND BETWEEN THE STATE OF CALIFORNIA,
COUNTY OF LOS ANGELES AND CITY OF LOS ANGELES
REGARDING THE DISPOSITION OF PROPERTY INTERESTS AT
FIRST AND BROADWAY IN THE CITY OF LOS ANGELES**

This FIRST AMENDMENT TO THE AGREEMENT BY AND BETWEEN THE STATE OF CALIFORNIA, COUNTY OF LOS ANGELES AND CITY OF LOS ANGELES REGARDING THE DISPOSITION OF PROPERTY INTERESTS AT FIRST AND BROADWAY IN THE CITY OF LOS ANGELES is made and entered into as of _____, 2010, by and between the State of California, acting by and through the Department of General Services (State"), and County of Los Angeles, a body corporate and politic ("County").

RECITALS

WHEREAS, State, County, and City of Los Angeles ("City") executed that certain "Agreement By and Between the State of California, County of Los Angeles and City of Los Angeles Regarding the Disposition of Property Interests at First and Broadway in the City of Los Angeles" on October 7, 2008 ("Property Transfer Agreement").

WHEREAS, the property located south of the Clara Shortridge Foltz Criminal Justice Center, formerly known as the Los Angeles County Criminal Courts Building, ("CJC") and bounded by First Street, North Broadway and Spring Street in the City of Los Angeles ("Site"), was composed of parcels jointly held by the County and the State pursuant to an agreement dated March 18, 1986, as amended (County Agreement Number 51780) ("1986 Agreement"), entered into by and between the State, County and City;

WHEREAS, under the 1986 Agreement, the County administered the Department of Water and Power ("DWP") utility bills and the landscaping contract for the Site, and the County continues to maintain the CJC and Parking Lot 11;

WHEREAS, the State, County and City terminated the 1986 Agreement pursuant to the Property Transfer Agreement (County Agreement Number 76712);

WHEREAS, pursuant to the Property Transfer Agreement, the County and State each now own and occupy a portion of Parcel 10 of the Site, 1.67 percent (1.67%) and 98.33 percent (98.33%), respectively, as delineated in Exhibit A and more particularly described in Exhibits B and C attached hereto;

WHEREAS, pursuant to the Property Transfer Agreement, all rights and interests of the City in the Site have been terminated;

WHEREAS, pursuant to the Property Transfer Agreement, the County shall receive seventy percent (70%) and the State shall receive thirty percent (30%) of parking revenues generated on the surface of the County parcel located south of CJC ("Parking Lot 11");

WHEREAS, the State requires landscaping services ("Services") at their portion of Parcel 10 of the Site and is willing to have the cost deducted from their share of the Parking Lot 11 revenues prior to revenue distribution pursuant to the Property Transfer Agreement;

WHEREAS, the State required utility services ("Utility Services") at their portion of Parcel 10 of the Site and is willing to have the cost, already paid by the County, deducted from their share of the Parking Lot 11 revenues prior to revenue distribution pursuant to the Property Transfer Agreement in the amount of \$549;

WHEREAS, the State and County desire to enter into this First Amendment to provide for the Services and payment therefore as between the State and the County.

AGREEMENT

NOW, THEREFORE, based on the foregoing, the parties hereto agree to amend the Property Transfer Agreement as follows:

1. Effective Date. This Amendment shall become effective upon approval by both parties.

2. Amendments to Property Transfer Agreement, the Property Transfer Agreement shall be amended to add the following to the end of Section 3. General Provisions:

"M. County Responsibilities. The County shall perform the following:

1. The County Internal Services Department ("ISD") shall determine what landscaping services are required for Parcel 10 at the Site and shall enter into a contract with a qualified landscape contractor ("Contractor") to provide the landscaping services, which contract shall provide for all labor, materials, supplies, and equipment necessary for the proper performance of landscape services and tree trimming, to be undertaken Monday through Friday.

2. The cost of the landscaping services and ISD overhead shall not exceed \$1,316 per month until the County's current landscaping services contract expires or terminates. County shall inform the State of the monthly rate of any subsequent contract for landscaping services, at least 60 days prior to its commencement date, and the State, at its option may terminate this

arrangement upon written notice to County no later than 30 days prior to the landscaping services contract commencement date."

N. State Responsibilities. The State Department of General Services shall be responsible for 98.33 percent (98.33%), its prorated share, of the landscaping services, and ISD overhead costs beginning with the close of Escrow, and its prorated share (98.33%) of Department of Water and Power ("DWP") for the Parcel 10 utilities at the Site from the close of Escrow through January 29, 2009 ("one-time DWP costs").

O. Project Managers. When issues arise regarding the landscaping services for the First and Broadway property, such issues shall be addressed as follows:

To Chief Executive Officer's ("CEO") Project Manager:

Susana Graether
Chief Executive Office
Facilities and Asset Management Branch
500 West Temple Street, Room 754
Los Angeles, CA 90012
Office: (213) 893-7940
Facsimile: (213) 346-9844

To ISD's Project Manager:

Ronald Johnson
ISD - Custodial Services
1100 N. Eastern Avenue
Los Angeles, CA 90063
Office: (323) 267-2090
Facsimile: (323) 881-0132

P. Discontinuation of Landscaping Services. The County shall provide landscaping services pursuant to Subsection M, above, until the County terminates the use of the County Parcel for surface parking and proceeds with the use of the County Parcel for the Grand Avenue project or other public purposes, unless the County or State decides to terminate this arrangement earlier by thirty (30) days advance written notice to the other party.

Q. Reimbursement. Prior to distribution of that portion of the Parking Lot 11 revenue pursuant to Paragraph 1, Subparagraph A, the CEO shall deduct the State's share of the one-time DWP costs and monthly Parcel 10 landscaping and ISD overhead costs from the State's share of the revenue. Within 30 days after a written request by the State, the County shall deliver to the State copies of supporting documents for any of the actual costs shown on the quarterly revenue distribution memo.

3. Property Transfer Agreement in Effect. Except as expressly amended by this Amendment, the Property Transfer Agreement shall remain in full force and effect and is hereby reaffirmed.

G:\1SVG\First and Broadway\Amendment Landscaping & Utilities Agmt.DOC

IN WITNESS WHEREOF, the County and State have executed this First Amendment to the Agreement By and Between the State of California, County of Los Angeles and City of Los Angeles Regarding the Disposition of Property Interests at First and Broadway in the City of Los Angeles to be effective as of the date determined pursuant to Paragraph 1 above.

COUNTY OF LOS ANGELES

**STATE OF CALIFORNIA
DEPARTMENT OF GENERAL SERVICES**

By _____
GLORIA MOLINA
Chair, Board of Supervisors

By _____
JOE MUGARTEGUI
Chief
Asset Management Branch

ATTEST:

SACHI A. HAMAI, Executive Officer-
Clerk of the Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN
County Counsel

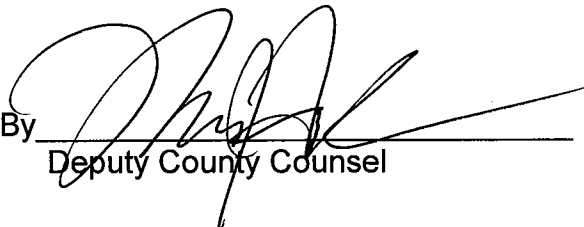
By  _____
Deputy County Counsel

EXHIBIT A

SITE MAP

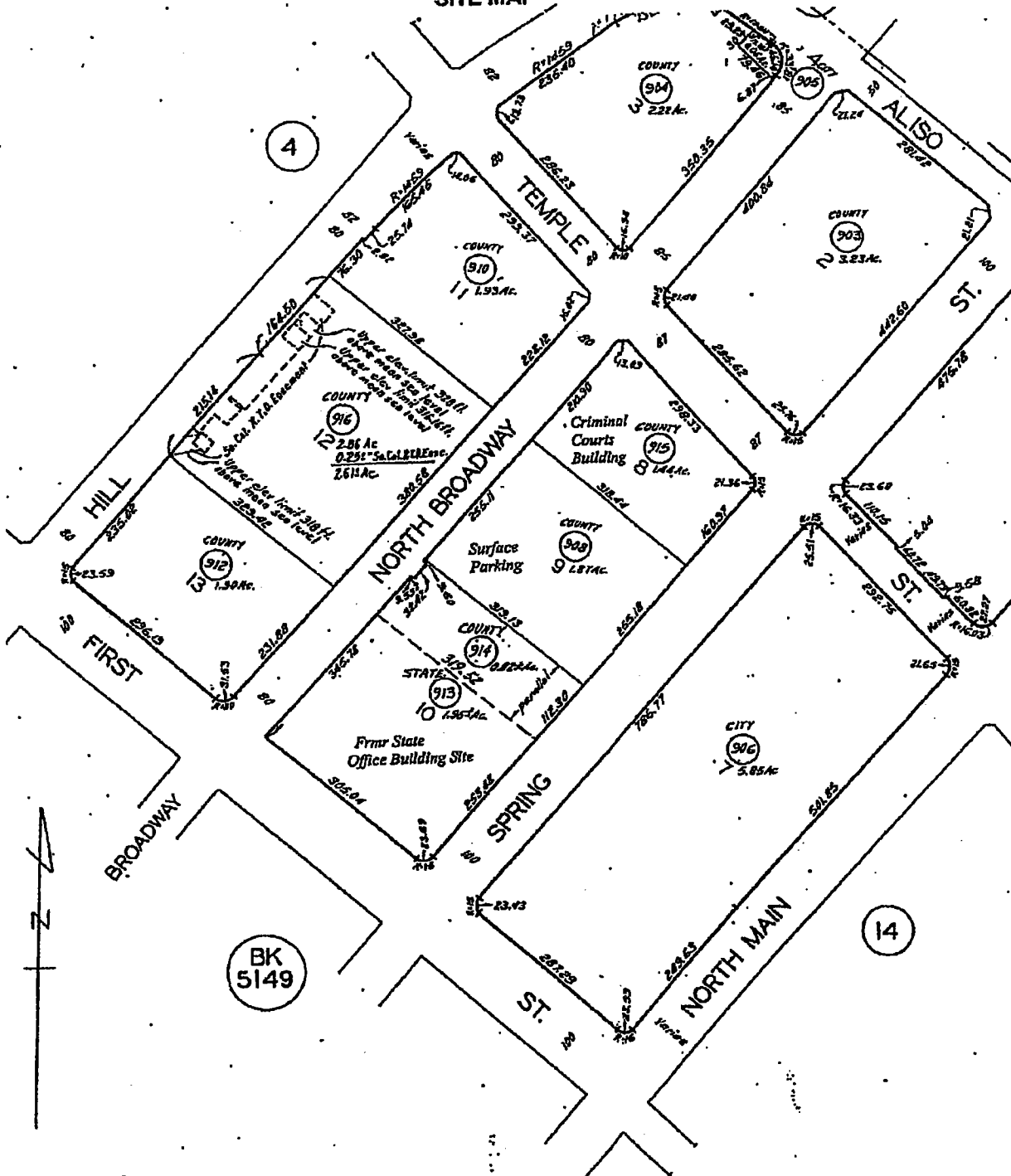


EXHIBIT B

LEGAL DESCRIPTION OF COUNTY PARCEL

ALL THAT LAND SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF LOS ANGELES AND DESCRIBED AS FOLLOWS:

PARCEL 1:

PARCEL 9, AS SHOWN ON LOS ANGELES COUNTY ASSESSOR'S MAP NO. 94, FILED IN BOOK 1, PAGES 77 TO 80, INCLUSIVE, OF ASSESSOR'S MAPS, IN THE OFFICE OF THE REGISTRAR-RECORDER/COUNTY CLERK OF THE COUNTY OF LOS ANGELES.

PARCEL 2:

THAT PORTION OF PARCEL 10 OF L.A.C.A. MAP NO. 94, IN THE CITY OF LOS ANGELES, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1 PAGES 77 TO 80 INCLUSIVE OF ASSESSORS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WHICH LIES NORTHEASTERLY OF THE SOUTHWESTERLY LINE OF THE LAND DESCRIBED IN QUITCLAIM DEED TO THE COUNTY OF LOS ANGELES RECORDED ON DECEMBER 10, 1980 AS INSTRUMENT NO. 80-1240729, OFFICIAL RECORDS.

EXCEPTING THEREFROM ALL MINERAL DEPOSITS, AS DEFINED IN SECTION 6407, OF THE PUBLIC RESOURCES CODE, BELOW A DEPTH OF 500 FEET, WITHOUT SURFACE RIGHTS OF ENTRY, AS RESERVED BY THE STATE OF CALIFORNIA IN DEED RECORDED DECEMBER 10, 1980 AS INSTRUMENT NO. 80-1240729, OFFICIAL RECORDS.

EXHIBIT C

LEGAL DESCRIPTION OF STATE PARCEL

ALL THAT LAND SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF LOS ANGELES AND DESCRIBED AS FOLLOWS:

PARCEL 3:

THAT PORTION OF PARCEL 10 OF L.A.C.A. MAP NO. 94, IN THE CITY OF LOS ANGELES, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1 PAGES 77 TO 80 INCLUSIVE OF ASSESSORS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WHICH LIES SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE LAND DESCRIBED IN QUITCLAIM DEED TO THE COUNTY OF LOS ANGELES RECORDED ON DECEMBER 10, 1980 AS INSTRUMENT NO. 80-1240729, OFFICIAL RECORDS.